

ATLANTIC & WESTERN FINANCIAL CORPORATION

P. O. BOX 1208
SANFORD, NORTH CAROLINA 27330

TEL: 919 - 776 - 7521

TELEX: 802511

9-221A184

No.

AUG 9 1979

Date

Fee \$ 800.00

Washington, D. C.

Office of the Secretary
Interstate Commerce Commission
12th and Constitution
Washington D. C.

RECORDATION NO. 10714-10731

AUG 9 1979-3 22 PM

INTERSTATE COMMERCE COMMISSION

Re: ²⁹ ~~34~~ Class XF Boxcars
Bearing Hutchinson & Northern
Railway Company Markings
HN 5064 - 5076 inclusive and
5078 - 5085 inclusive and
5090 - 5099 inclusive

Gentlemen:

On behalf of M.O. South Bank and Trust Company
we enclose an original and a copy of ^{sixteen} ~~seventeen~~ security
agreements for the above captioned ²⁹ ~~34~~ cars with M.O.
South Bank Bank & Trust Company as secured party and
a check drawn on McDermott & Parks Esqs for ~~885.00~~
in payment of the filing fee. \$ 800.00

We request that the original of each document be
recorded and that we be given a ^{RECORDATION NO.} ~~certified~~ copy of each
security agreement.

The investors are as follows:

CHARLES M. REEVES JR

WB + SARAH JOYCE

THOMAS B + ELIZABETH J AMELIA

RECEIVED

Cars HN 5064-5073

Cars HN 5074-5075

Cars HN 5078

Countersigned - Sanford

MARY CAROLYN REEVES BASS and SAM Q BASS HN 5079
DAVID C REEVES HN 5080
JOHN M REEVES HN 5081
JAMES M PARROTT, JR AND SUZANNE R PARROT HN 5082
WILLIAM W. AND ELLEN B STATION HN 5083
JOHNAS F NOCKADAY AND DIRIE L NOCKADAY HN 5084
PAUL O. HOWARD AND BARBARA E JAMES HOWARD HN 5085
OTRACY PARKS III HN 5090-5094
HAROLD GREENBERG HN 5095
STEPHEN IRWIN HN 5096
STUART M. PELLMAN HN 5097
FREDERICK R. BIEHL HN 5098
MELVIN S. SLADE HN 5099

Your cooperation in this matter is greatly
appreciated

Very truly yours
Frank J. Hariton

FRANK J HARITON
SPECIAL COUNSEL

SECURITY AGREEMENT 9 1979-3 20 PM

AUG 9 1979 6 00 PM

INTERSTATE COMMERCE COMMISSION August 9, 1979

W. B. Joyce Sarah G. Joyce of Lee County, State of North

Carolina whose address is P. O. Box 1208, Sanford, NC 27330, hereinafter called "Debtor", for valuable consideration, receipt of which is hereby acknowledged, hereby grants to Mid-South Bank & Trust Company, a North Carolina Banking Corporation with one of its principal offices in said state, hereinafter called "Secured Party", a security interest in, and mortgages to Secured Party, the following property and any and all additions, accessions thereto, or after acquired similar properties, hereinafter called the "Collateral" as follows: 70,000 Shares South Carolina National Corp.

Two (2) 50' 6" 70 Ton XF Boxcars with 10' sliding doors bearing Serial Numbers HN 5074, 5075

to secure payment of a debt of \$ 78,000.00 as evidenced by note or notes of even date herewith and also any and all liabilities of Debtor to Secured Party under this agreement or said note or notes or any renewals or extensions thereof (all hereinafter called the "obligations").

Debtor hereby warrants and covenants that:

(a) The collateral is bought or used primarily for

Personal, family or household purposes

Farming operations

X Business use

and if checked here X, is being acquired with the proceeds of the note or notes, which Secured Party may disburse directly to the seller of the collateral;

(b) The collateral will be kept at

Debtor will promptly notify Secured Party of any change in the location of the collateral within said state; and debtor will not remove the collateral from said state without written consent of the Secured Party;

(c) If the collateral is bought or used primarily for business use, Debtor's place of business in said state (if any) is that shown at the beginning of this agreement; and all other places of business of Debtor in said state outside of the town or city mentioned in the previous clause are located as follows

(d) If the collateral is bought or used primarily for personal, family or household purposes, or for farming operations use, or if Debtor has no place of business in said state, Debtor's residence in said state is that shown at the beginning of this agreement;

(e) If the collateral is to be attached to real estate, a description of the real estate is as follows:

and the name of the record owner is; and if the collateral is attached to real estate prior to the perfection of the security interest granted hereby, Debtor will on demand of Secured Party furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the collateral which is prior to Secured Party's interest.

Additional provisions

This agreement is subject to the additional provisions set forth on the back side hereof, the same being incorporated herein by reference.

Signed and delivered on the day and year first above written.

(Secured Party need sign only if agreement is to be used as Financing Statement).

W. B. Joyce (Debtor)

Mid-South Bank & Trust Co. (Secured Party)

Sarah G. Joyce (Debtor)

By James L. Waller Pres.

By

ADDITIONAL PROVISIONS

Further warranties and covenants of debtor

Debtor hereby warrants and covenants that:

(a) Except for the security interest granted hereby Debtor is the owner of the collateral free from any adverse lien, security interest or encumbrance; and Debtor will defend the collateral against all claims and demands of all persons at any time claiming the same or any interest therein;

(b) No Financing Statement covering any collateral or any proceeds thereof is on file in any public office and at the request of Secured Party, Debtor will join with Secured Party in executing one or more Financing Statements pursuant to the Uniform Commercial Code in form satisfactory to Secured Party and will pay the cost of filing the same or filing or recording this agreement in all public offices wherever filing or recording is deemed by Secured Party to be necessary or desirable;

(c) Debtor will not sell or offer to sell or otherwise transfer the collateral or any interest therein without the written consent of Secured Party;

(d) Debtor will have and maintain insurance at all times with respect to all collateral against risks of fire (including so-called extended coverage), theft and such other risks as Secured Party may require, and in the case of motor vehicles, collision, containing such terms, in such form, for such periods and written by such companies as may be satisfactory to Secured Party, such insurance to be payable to Secured Party and Debtor as their interests may appear; all policies of insurance shall provide for ten days' written minimum cancellation notice to Secured Party; Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions; and Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts;

(e) Debtor will keep the collateral free from any adverse lien, security interest or encumbrance and in good order and repair and will not waste or destroy the collateral or any part thereof; Debtor will not use the collateral in violation of any statute or ordinance; and Secured Party may examine and inspect the collateral at any time wherever located;

(f) Debtor will pay promptly when due all taxes and assessments upon the collateral or for its use or operation or upon this agreement or upon any note or notes evidencing the obligations.

Additional rights of parties

At its option, Secured party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the collateral, may pay for insurance on the collateral and may pay for the maintenance and preservation of the collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization. Until default Debtor may have possession of the collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon.

Events of default

Debtor shall be in default under this agreement upon the happening of any of the following events or conditions:

(a) Default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same;

(b) Any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proving to have been false in any material respect when made or furnished;

(c) Loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the collateral, or the making of any levy, seizure or attachment thereof or thereon;

(d) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Debtor or any guarantor or surety for Debtor.

Remedies

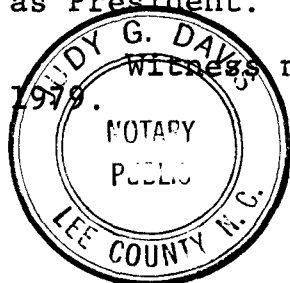
Upon such default and at any time thereafter Secured Party may declare all obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code. Secured Party may require Debtor to assemble the collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale of any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of the agreement at least five days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorney's fees and legal expenses. The Secured Party may also have all rights and remedies specified in the note.

General

No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of Secured Party hereunder shall inure on a future occasion to the benefit of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtor shall bind his heirs, executors or administrators or assigns. If there be more than one Debtor, their obligations hereunder shall be joint and several. This agreement shall become effective when it is signed by Debtor.

NORTH CAROLINA
LEE COUNTY

I, Judy G. Davis, a notary public, do hereby certify that Joseph L. Wallace, Jr., personally came before me this day and acknowledged that he is the President of Mid-South Bank and Trust Company, a North Carolina banking corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its corporate name by him as President.



My Commission Expires May 5, 1981

Witness my hand and notarial seal this 9th day of August,

Judy G. Davis
Notary Public

STATE OF
COUNTY OF

North Carolina
Lee

I, Pauline M. Collins, a notary public, do hereby certify that W B Joyce and Sarah G. Joyce, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 9th day of August, 1979.

Pauline M. Collins
Notary Public

My Commission Expires:

Dec 10, 1979